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STATE OF MAINE
DEPARTMENT OF EDUCATION
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Angela Faherty, Ph.D.
COMMISSIONER

Exhibit # XLC.

TO: Members of the State Board of Education

FROM: Angela Faherty, Ph.D., Commissioner*

DATE: November 10, 2010

SUBJECT: Federal Qualified School Construction Bond Program – AOS 92/Waterville

STATEMENT OF FACT

The Department of Education coordinates the Federal Qualified School Construction Bond (QSCB) program. QSCBs are bonds issued by state or local governments which the Federal government subsidizes by providing tax credits to bondholders or direct payment interest subsidies to issuers. Bond proceeds can be used for construction, rehabilitation, or repair of public school facilities. Maine has a 2010 QSCB balance of \$25,783,671.

AOS 92/Waterville submitted a 2009 QSCB application for Waterville Senior High School and on July 15, 2009 received State Board of Education designation for priority approval in the amount of \$10,404,000. AOS 92/Waterville has requested that they be permitted to return their allocation to the Department of Education and that the Department reissue their allocation directly to the Maine Municipal Bond Bank (MMBB) for the AOS 92/Waterville projects. Pursuant to this reallocation, the MMBB would issue QSCBs to provide funds for the previously approved AOS 92/Waterville projects.

DEPARTMENT RECOMMENDATION

The Department of Education recommends that the State Board approve that the 2010 Federal allocation to AOS 92/Waterville of QSCBs in the amount of \$10,404,000 be reallocated to the Maine Municipal Bond Bank provided that the QSCBs issued by the Maine Municipal Bond Bank pursuant to this allocation shall be issued to provide funds for the AOS 92/Waterville projects that the State Board of Education previously voted to designate for priority approval by the Commissioner of Education on July 15, 2009.

*Prepared by the School Facilities Services Team